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May 10, 2016

File No: 1026.071

Via Email

Miller Thomson
Robson Court
840 Howe Street, Suite 1000
Vancouver, BC V6Z 2M1

Attention: Wendy A. Baker

Dear Ms. Baker:

Re: Supervisory Review – Additional Information

We write on behalf of the British Columbia Chicken Marketing Board (the “BCCMB”) in response to your letter of yesterday’s date requesting further information in respect of the excerpt from BCCMB’s April 2016 minutes circulated by FIRB on Friday.

As an initial matter, your letter describes the minute excerpt as “relating to a proposal from Ontario to move its 700,000kg of Kosher production into specialty production”. We are instructed that the minutes excerpt did not relate to any proposal by Ontario in this regard but rather related to an informal idea discussed by the BCCMB as a potential for resolving the current dispute with the BC processors about the proposed amendments to the operating agreement.

The background to this matter is that in the fall of 2013 there was a request by Chicken Farmers of Ontario (“CFO”) to Chicken Farmers of Canada (“CFC”) for “an additional supply of dedicated, non-transferable, expire if not used and audited kosher kilograms to be added to the Ontario base”. A copy of the October 11, 2013 letter from CFO to CFC is enclosed with this letter for reference. We understand that this proposal was discussed at a CFC meeting in November 2013 and was rejected by CFC. BCCMB is not aware of any discussions with respect to this proposal subsequent to the November 2013 CFC meeting and this proposal was not the subject of any of the negotiations relating to the proposed amendments to the operating agreement.

Based on discussions from time to time with persons from CFO the BCCMB understands that CFO has now secured a new processor for kosher chicken. There has been an indication that CFO may again request from CFC a new additional allocation for kosher production.

In April 2016, in light of the objections of the BC processors to the current proposed amendments to the operating agreement and recalling that CFO’s proposal in respect of

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kosher chicken had not been accepted, BCCMB discussed at its meeting on a very preliminary basis whether proposing an accommodation in respect of the requested kosher chicken kilograms to CFO might be a way to initiate discussion of a compromise position on allocation that would address the concerns raised by the BC processors in respect to the proposed amendments to the operating agreement. Other than the October 2013 letter enclosed with this letter, there are no background documents in relation to this discussion reflected in the minutes; it was simply a discussion of a possible idea floated with BCCMB for discussion, a trial balloon so to speak. Following the discussion, BCCMB's Executive Director and Chair raised this idea informally with their counterparts at CFO. There was no interest from CFO in this concept. There has been no indication from representatives of CFO (or any other stakeholder outside of British Columbia) to date that they have any appetite for re-opening negotiations in respect of the current proposed amendments to the operating agreement.

If BCCMB becomes aware that CFO (or another stakeholder) is prepared to re-open discussions of the proposed amendments to the operating agreement in order to include discussion of the kosher chicken issue, BCCMB would of course consult with British Columbia stakeholders, including the BC processors and growers, consider whether further negotiation is in the interest of British Columbia's chicken industry, and discuss the matter with FIRB. At this time, the BCCMB has no reason to believe that any stakeholder including Ontario is prepared to re-open discussions in respect of the proposed amendments to the operating agreement to include the kosher chicken issue.

Yours truly,

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Per:



John J.L. Hunter

CEH/meh

Encl.

cc: BC Farm Industry Review Board
clients